GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:2832
ANSWERED ON:17.12.2008
IMPOSITION OF SALES TAX ON PETROL DIESEL
Shukla Smt. Karuna;Tripathi Shri Chandramani

Will the Minister of FINANCE be pleased to state:

(a) whether the Government has received any suggestions regarding the tax burden on the oil companies due to imposition of sales tax on petrol and diesel by various States;

(b) if so,the details thereof and;

(c) the action taken by the Government thereon?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM)

(a) to (c) : The issue of tax burden due to States'sales taxes on petrol and diesel has been raised by various stakeholders on several occasions.As per Entry 54 of Seventh Schedule of the Constitution,taxes on sale or purchase of goods is a State subject and an Empowered Committee of State Finance Ministers has been constituted to take decision on all matters relating to State level VAT and sales tax related issues.In this regard on 9.6.2008,the then Union Finance Minister had also written to the Chairman,Empowered Committee of State Finance Ministers requesting the States to reduce the sales tax rates on petrol and diesel to a uniform level throughout the country.